



## FISCAL MEMORANDUM

### HB 2351 - SB 2844

February 28, 2022

**SUMMARY OF BILL AS AMENDED (014374):** Requires a pharmacy services administrative organization (PSAO) to obtain a \$100 licensure to conduct business and establishes the criteria the PSAO must meet in order to apply for licensure. Establishes that a PSAO licensure must be renewed biennially with a \$50 fee and that failing to do so results in a fine.

Requires PSAOs to disclose up to date information regarding ownership and organizations it is associated with to the Department of Commerce and Insurance (DCI) and to any independent pharmacy or covered entity prior to entering into a contract.

Prohibits a PSAO from requiring a pharmacy that it has a contract with from purchasing drugs or supplies from an entity it has an ownership interest in and requires the PSAO to disclose to DCI when a pharmacy it has a contract with enters an agreement to buy drugs, biologicals, or medical devices from an entity it has ownership interest in.

### FISCAL IMPACT OF BILL AS AMENDED:

#### Increase State Revenue –

**\$2,000/FY22-23/Department of Commerce and Insurance**  
**\$1,000/FY24-25 and Every Two Years Thereafter**  
**/Department of Commerce and Insurance**

Assumptions for the bill as amended:

- Pursuant to the proposed legislation, the licensure fee for a PSAO will be \$100 with a \$50 renewal fee to be paid biennially. All revenue collected from license and renewal fees will be used by DCI for the purpose of administering the proposed legislation.
- It is assumed that about 20 PSAOs will pursue a license within the first year the proposed legislation goes into effect. This will create an increase in revenue to DCI of \$2,000 (\$100 x 20) in FY22-23 and an increase in revenue in FY24-25 and every two years thereafter of \$1,000 (\$50 x 20) for renewal fees.
- DCI will be able to carry out provisions described in the proposed legislation within its existing resources and personnel.

## **IMPACT TO COMMERCE OF BILL AS AMENDED:**

### **Increase Business Expenditures –**

**\$2,000/FY22-23**

**\$1,000/FY24-25 and Every Two Years Thereafter**

Assumptions for the bill as amended:

- The proposed legislation would create a new requirement for PSAOs to pay a fee of \$100 to obtain and \$50 to renew their license biennially.
- It is assumed that about 20 PSAOs will pursue a license within the first year the proposed legislation goes into effect. This will create an increase in business expenses of \$2,000 (\$100 x 20) in FY22-23 and an increase in business expenses in FY24-25 and every two years thereafter of \$1,000 (\$50 x 20) for renewal fees.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/cd